

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Stoneham Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 12, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



# STONEHAM RETIREMENT SYSTEM

## FUNDING SCHEDULE

| Fiscal Year | Normal Cost | Unfunded Liability* | Funding Amortization of UAL | Net 3(8)(c) Payments | Schedule Contribution | Payments Adjusted to August 1st |
|-------------|-------------|---------------------|-----------------------------|----------------------|-----------------------|---------------------------------|
| 2016        | 964,556     | 37,074,774          | 4,204,311                   | 74,576               | 5,243,443             | 5,276,670                       |
| 2017        | 1,007,961   | 35,459,012          | 4,572,516                   | 74,576               | 5,655,053             | 5,690,889                       |
| 2018        | 1,053,319   | 32,003,981          | 4,971,080                   | 74,576               | 6,098,975             | 6,137,624                       |
| 2019        | 1,100,719   | 29,161,742          | 5,402,450                   | 74,576               | 6,577,744             | 6,619,427                       |
| 2020        | 1,150,251   | 23,479,361          | 5,869,270                   | 74,576               | 7,094,097             | 7,139,052                       |
| 2021        | 1,202,012   | 18,996,886          | 6,374,396                   | 74,576               | 7,650,984             | 7,699,468                       |
| 2022        | 1,256,103   | 13,616,511          | 6,920,907                   | 74,576               | 8,251,586             | 8,303,876                       |
| 2023        | 1,312,627   | 7,222,882           | 7,222,882                   | 74,576               | 8,610,086             | 8,664,647                       |
| 2024        | 1,371,696   | 0                   | 0                           | 74,576               | 1,446,272             | 1,455,437                       |

### Amortization of Unfunded Liability as of July 1, 2015

| Year | Type        | Original Amort. Amount | Percentage Increasing** | Original # of Years | Current Amort. Amount | Years Remaining |
|------|-------------|------------------------|-------------------------|---------------------|-----------------------|-----------------|
| 2003 | 2002 ERI    | 73,542                 | 3.50%                   | 18                  | 115,017               | 5               |
| 2016 | Fresh Start | N/A                    | N/A                     | 8                   | N/A                   | 8               |

\* Includes recognition of asset/gains and losses in Fiscal 2018 and 2020

### Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base.

Original Amortization Amount is the annual amortization amount when the base was established.

Percentage Increasing is the percentage that the Original Amortization Amount increases per year.

Original # of Years is the number of years over which the base is being amortized.

Current Amortization Amount is the amortization payment amount for this year.

Years Remaining is the number of years left to amortize the base.

\*\*Fresh Start amortization is set to be the amount resulting from increasing the contribution by 7.85% each year, except for Fiscal 2024 where there is a decrease.